

OVERVIEW

Director: Scott Osterman (Appointed by Governor and confirmed by the Senate)

DUTIES/RESPONSIBILITIES

RESEARCH/MARKETING PROMOTION

- Establishes and maintains a central depository of Montana census and economic information, including synthesis of economic and social studies data related to planning and economic development for the state and regional groups/planners.
- Has state responsibility to educate about decennial census.
- Promotes and markets Montana as a travel and film destination, which includes coordinating with tribal governments and Governor's Office of Indian Affairs for Indian Country tourism and economic development.
- Studies and promotes market expansion of Montana products, including training and assistance to manufactures of local products.
- Provides housing data and information on available governmental housing assistance programs.

BUSINESS AND COMMUNITY ASSISTANCE

- Supports businesses through planning, industry and market research, financial assistance, access to capital, tradeshow assistance, and export trade assistance.
- Supports entrepreneurs in new economic enterprises in partnership with state and local business development groups and tribal governments.
- Supports communities through the development of public infrastructure, including water, wastewater, bridges, and Main Street revitalization.
- Cooperates with the Governor's Office of Economic Development.
- Advises and assists Montana businesses/labor and local/tribal communities in economic development, including compiling and maintaining information on development sites and preservation of historical sites.
- Provides rental assistance programs to local landlords to assist renters in making monthly rent they can afford.

GRANTMAKING

- Administers economic and community development grant programs, including:
 - Treasure State Endowment Program (TSEP) – Title 90, ch. 6, part 7, MCA;
 - Community development block grants (CDBG) under general authority in 90-1-103, MCA;
 - Housing grants (HOME Investment Partnership Program and the Housing Trust Fund);
 - Historic preservation grants;
 - Tourism, film, and Mainstreet MT program grants;
 - Coal and hard-rock mining impact grants;
 - Indian Country grants.

ADVISORY OVERSIGHT (STAFFED BY COMMERCE)

- Board of Horseracing (2-15-1809, MCA)
- Board of Housing (2-15-1814, MCA)
- Coal Board (2-15-1821, MCA)
- Hard-Rock Mining Impact Board (2-15-1822, MCA)
- State Tribal Economic Development Commission (90-1-131, MCA)
- Tourism Advisory Council (2-15-1816, MCA)

OVERSIGHT (WITH BOARD ITSELF OVERSEEING PERSONNEL)

- Board of Investments (2-15-1808, MCA)
- Montana Facility Finance Authority (2-15-1815, MCA)
- Montana Heritage Preservation & Development Commission (22-3-1002, MCA)

LOAN PROGRAMS

- Administers loan programs, including:
 - Microbusiness and other business development loan programs and provides technical assistance and training;
 - Homeownership loan programs;
 - Veterans home loan programs;
 - Multifamily Coal Trust Homes program;
 - Multifamily loan programs; and
 - Revolving loan programs.

LEGISLATIVE AUDITS

- 2023 Board of Housing Financial Compliance Audit (22-07), no recommendations
- 2023 Board of Investments Financial Compliance Audit (22-04), no recommendations
- 2021 Montana Facility Finance Authority Financial Compliance Audit (20-12), 1 recommendation
- 2019 Financial Compliance Audit (19-16), no recommendations
- 2019 Tourism Marketing and Promotion Performance Audit (18P-03), 4 recommendations; Follow-up (21SP-09), 3 recommendations implemented, 1 in-process.

DOC - BIENNIUM BUDGET FOR FY 2024 AND FY 2025

Divisions	FTE	House Bill 2			Proprietary/ Off-Budget	Total: All Sources Biennium
		General Fund	State Special Revenue	Federal Special Rev.		
DEPARTMENT OF COMMERCE	217.63	\$12,235,352	\$20,601,517	\$39,611,048	\$155,529,515	\$465,516,871
DIRECTOR'S OFFICE <ul style="list-style-type: none"> • Office of Legal Affairs • Office of Accounting & Budget • Office of Information Technology • Research & Information Services 	25.35	\$1,499,232	\$67,460	\$1,219,362	\$5,611,322	\$8,397,376
BUSINESS MT <ul style="list-style-type: none"> • Business Development • Promotions & Trade • Big Sky Trust Fund • Distressed Wood Products 	24.50	\$6,285,850	\$4,875,686	\$1,730,037	\$0	\$27,914,310
BRAND MT <ul style="list-style-type: none"> • Office of Tourism • Office of Public Information 	31.50	\$0	\$478,699	\$0	\$0	\$94,277,908
COMMUNITY DEVELOPMENT	26.70	\$3,950,270	\$9,759,070	\$16,422,170	\$0	\$94,879,003
Community Development Block Grant	8.30	\$1,051,532	\$0	\$14,909,964	\$0	\$15,961,496
MT Coal Endowment Program	5.95	\$0	\$1,677,035	\$0	\$0	\$32,886,748
Community Technical Assistance (CTAP)	3.70	\$1,825,584	\$0	\$0	\$0	\$1,825,584
Coal Board	1.25	\$0	\$7,310,458	\$0	\$0	\$7,311,458
Hard Rock Mining Impact Board	1.25	\$0	\$523,326	\$0	\$0	\$1,692,062
Historic Preservation	1.00	\$0	\$248,251	\$0	\$0	\$11,616,295
HB 355 State Local Infrastructure Partnership	4.75	\$959,816	\$0	\$0	\$0	\$20,959,817
HB 819 Community Reinvestment Plan	0.50	\$113,338	\$0	\$0	\$0	\$1,113,338
HOUSING MT	64.33	\$0	\$0	\$20,239,479	\$131,255,518	\$201,494,997
HOME	3.00	\$0	\$0	\$10,758,065	\$0	\$10,758,065
Housing Trust Fund	3.00	\$0	\$0	\$9,481,414	\$0	\$9,481,414

EAIC POTENTIAL AREAS OF INTEREST

- Monitoring the implementation of HB819 – housing bill
- Monitoring the implementation of HB881 – fund transfers to the Big Sky Economic Development Fund
- Monitoring the implementation of SB540 – reallocation of lodging facility use tax

RELATED LEGISLATION PASSED IN 2023

During the 2021-2022 interim, the Department of Commerce requested **ten** bill drafts. Of the four drafted and introduced, **three** were passed and approved:

- HB 125** Revises public notice laws for Montana Facility Finance Authority public hearings; requires a city or county to notify the authority of a public hearing within 30 days after receipt of the notice; requires publication of hearings on a government website in addition to a newspaper.
- HB 143** Revises the composition of the Tourism Advisory Council; reduces the maximum number of council members from 12 to 9 members.
- SB 80** Authorizes the Department of Commerce to retain interest earned on the Gap Financing Program Account, which is money deposited into an account from an appropriation in Chapter 400, Laws of 2015.

Other commerce related legislation:

- HB 5** Appropriates \$5 million to the Department of Commerce to development and administer emergency shelter grants.
- HB 19** Modifies the requirements of the Department of Commerce and the State-Tribal Economic Development Commission related to assessments and reports of the economic activity of tribes in Montana.
- HB 244** Revises the administration of the Housing Montana Fund through the Department of Commerce; removes restrictions on money received from the federal government in 2001; removes certain income requirements for loans.
- HB 228** Revises public investments by the Board of Investments by prohibiting the consideration of nonpecuniary factors.
- HB 355** Appropriates \$20 million to Department of Commerce to administer infrastructure grants to local municipalities. These grants are prioritized by the incorporated cities/towns and Commerce administers funds and monitors project completion.
- HB 523** Requires transparency of recipients and amounts paid from emergency rental assistance program funds through the American Rescue Plan Act by the Department of Commerce.

- HB 819** Creates the Montana Community Reinvestment Plan; provides for attainable workforce housing, distribution of funds to community reinvestment organizations, state workforce housing incentive revolving accounts, eligibility requirements for the use of funds, planning grants, duties for the Board of Investments, Governor's Office of Economic Development, and Department of Commerce (not yet signed).
- HB 881** Revises laws related to the Big Sky Economic Development Program; allows businesses to apply directly to the program, removes requirements, extends the statutory appropriation allocation until 2035, and transfers funds from other programs within the DOC to the program to create a pool of dollars for participation loans for business and economic development.
- HJ 10** Resolution for reaffirming Montana's commitment to its economic development relationship with Taiwan.
- SB 540** Revises the lodging facility use tax allocation to the DOC; requires the department to use the lodging facility use tax revenue for specific purposes and transfers funds from the allocation to fund a new revolving loan program account.